

May 29, 2012

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Washington, DC 20554

Dear Ms. Dortch:

I am writing to appeal the recent USAC denial of a SPIN Change/FRN split for the Academy of Detroit West, Billed Entity # 16054760, Form 471 Application Number 814759, for FRN 2215772.

A Funding Commitment Decision Letter (FCDL) was received after October 18, 2011 for services for CMC Telecom Services as well as other service providers. CMC Telecom won the contract for telephone and T-1 Internet services through the competitive bidding process initiated by the Form 470 during the open Erate application window. The school utilized the services of ATT for phone and Internet services during the 2010 school/funding year.

The FCDL was received over three months after the start of the 2011 funding year. Without the benefit of knowing with certainty the outcome of the Erate funding request, the school chose to continue with the ATT services on a month-to-month basis until an FCDL approval was received for the new service provider (CMC). An important part of this decision was the fact that the contracted services with CMC provided a significant upgrade in Internet bandwidth and with that a significant increase in cost. The school budget did not allow for the upgrade to take place without the potential of reimbursement for costs at the 90% level. Additionally, it is understood that all contracts with the school that utilize Erate funding are pending Rate funding approval.

After receipt of the FCDL, the Form 486 for FRN was subsequently filed in November 2011. The service provider changeover from ATT to CMC Telecom took place in January 2012. Since ATT provided services for July 2011 through a portion of January 2012 for phone and Internet services, an FRN Split/SPIN change was requested in January 2012 in order to be reimbursed from ATT during the first part of the year, and CMC Telecom for the remainder of the year. These expenses for phone and Internet services have already been approved by Erate in FRN 2215772.

USAC denied the FRN split/SPIN change due to "...Not have (ing) a legitimate reason for a SPIN change." The SPIN change is a legitimate request. A subsequent appeal was filed with USAC in April 2012 providing further information and once again requesting the legitimate FRN split/SPIN change request. This appeal request was denied citing the Sixth Report and Order (FCC 10-175), noting that a service provider cannot be changed without cause. This is not relevant to Academy of Detroit West's situation. The service provider holds the contract. The issue is the fact that the FCDL was issued after the start of the funding year, so the service provider change did not take place at the exact start of the funding year.

In addition, the Copan Order cited in the USAC appeal denial is irrelevant because changes are allowed under procurement rules, and we have actually changed service providers, so no notice to the previous service provider (ATT) is constituted.

This is not a case of changing service providers after a contract was signed. We signed a contract with CMC during the Erate process in order to specifically utilize their services. As of November 2011 we started using CMC's services. The delay in starting with CMC, and keeping ATT until November 2011, was due to the delay in receiving the FCDL from USAC. The school had to have phone and internet service and continued month to month with ATT until the FCDL was received and school administration was confident of reimbursement from the service provider. AT that time a changeover in services took place with the contracted service provider-CMC.

We request that you set aside the attached appeal denial by USAC and award the SPIN/FRN split as originally requested.

Sincerely,

A handwritten signature in cursive script, appearing to read "Valerie A. Nelson".

Valerie A. Nelson
Grant Consultant

Attachment